

Whittemore Cattle Company
Prescott Cattle Company
Whittemore Farms
Robert Rosenow
8805 W. Meadow Road
Whittemore, MI 48770
989-756-2783

Comments prepared for the Agriculture Committee of the Michigan House of Representatives on Tuesday, March 7, 2006, in Lansing, Michigan.

Hello, my name is Bob Rosenow. Thank you for giving me an opportunity to speak at this hearing. Our farm is a CAFO. We are in the process of becoming MAEAP verified. We have not had a regulated discharge. In 2003, we received our county's conservation farm of the year award from the Natural Resources Conservation Service. We have installed over 20 miles of filter strips along our waterways, taking 298 acres of our cropland out of production. We have built 17.5 miles of new fence, just to fence our cattle away from creeks, rivers, ditches, and lakes. In doing so we lost 900 acres of pastureland along these riparian corridors. We are trying very hard to comply with the rules concerning the application of manure to our farmland. These rules are a constantly moving target. Some of the rules that DEQ have been proposing will put us out of business. That is why we strongly support the passage of House Bills 5711-5716.

Our farm produces beef cattle. Fifteen people make their living on our farm. Ten of these people own a portion of our business and we have worked together for twenty years or longer. Nine of our jobs pay over \$ 45,000 per year. Our skilled jobs include herdsmen, mechanics, feed mill

operators, office manager, and crop production specialists, all requiring years of training and dedication. We want to produce food, provide income, and operate our farm as environmentally responsible farmers.

Michigan needs business and jobs. The state of Michigan should not be creating unreasonable regulation on our people and driving businesses to other states and countries. The MAEAP program is a common sense approach to handling a complex issue. Unnecessary licensing and regulation greatly hinders business. Our farm operates on very thin margins. Our feedlot earns only about \$ 20 per head or a profit margin of less than 2%. Mackinac Land and Cattle Company, the former owner of the cattle business for 45 years, has quit because of these narrow margins and constantly increasing regulatory compliance costs. If we are forced to close, we will lose 15 more jobs in Northeastern Michigan.

To give you some idea of our economic impact in our region, last year our businesses purchased cattle, corn, barley, hay, and services from 212 farms and businesses. We purchased distillers grains from the Caro ethanol plant, sugar beet pulp from Michigan Sugar, and corn screenings from Auburn Bean and Grain. At the West Branch fall feeder calf sale, we purchased 22% of their 1,100 calves. We purchased large numbers of cattle at Gaylord, Clare, and St. Louis. We have a significant impact on our region.

The economies of scale force us to operate large farm operations to be able to afford quality help to produce beef competitively. We have already decreased our capacity from 5,000 head to 3,000 head because some of our facilities did not meet current standards. If we were to continue to get smaller, we would not be able to compete with the large 10,000 to 100,000 head feedlots in the west.

To run our farm we must borrow \$ 3,500,000 in operating capital each year from a large variety of sources. I was turned down by six banks last year because of our low profit margins and the low amount of investment capital available. Part of the reason we were turned down, was our inability to show the lenders a satisfactory repayment plan because of the uncertain costs of complying with new environmental rules. By passing these bills you show the financial community Michigan will deal with their farmers in a very responsible way for both the industry and the general public.

In our state, people are investing heavily in renewable energy resources including at least 5 ethanol plants as acknowledged by Governor Granholm. Ethanol plants create a by-product, distillers grains, which must be fed to livestock. We must have a viable livestock industry to use these large quantities of distillers grains in order for the ethanol plants to be feasible. Please pass this legislation to help ensure there will be livestock to eat their by-products.

Michigan's second largest industry, agriculture wants to help provide jobs and economic growth opportunities for our citizens. We need your help. Please pass HB 5711-5716. We need the regulatory stability these bills would provide. Thank you.